
2008-2009 Desk Reference for

EDExpress for Windows Release 2.0

Addendum

Higher Education Reconciliation Act of 2005



F E D E R A L
STUDENT AID

Overview

The Higher Education Reconciliation Act of 2005 (the HERA), Pub. L. 109-171, created two Title IV grant programs—the Academic Competitiveness Grant (ACG) and the National Science and Mathematics Access to Retain Talent Grant (National SMART Grant). The HERA also extends Federal Direct PLUS Loan (Direct PLUS) eligibility to graduate or professional students.

In addition, the HERA changed the definition of an academic year for certain Pell award calculations, increased certain Direct Stafford Loan limits, decreased the loan fee charged to Stafford borrowers, and reinstated single disbursement loan processing for institutions with low cohort default rates.

This addendum to the *2008-2009 EDEExpress for Windows Release 2.0 Desk Reference* provides guidance on using existing and new Pell, Direct Loan, and Common Origination and Disbursement (COD) features in EDEExpress for Windows 2008-2009 to comply with the changes established in the HERA.

The following areas are covered in this addendum:

- Academic Competitiveness Grant (ACG)
- National Science and Mathematics Access to Retain Talent Grant (National SMART Grant)
- Direct PLUS Loan for Graduate and Professional Students (Grad PLUS)
- Other HERA Changes

For information and guidance regarding changes to EDEExpress Global, Application Processing, and Packaging functionality resulting from the HERA, see the HERA addendum to the *2008-2009 EDEExpress for Windows Release 1.0 Desk Reference*, available on the U.S. Department of Education's (ED's) FSAdownload Web site, located at fsadownload.ed.gov.

Academic Competitiveness Grant (ACG) and National Science and Mathematics Access to Retain Talent Grant (National SMART Grant)

Software Setup

ACG and National SMART Grant functionality is installed with the Pell module of EDEExpress 2008-2009, Release 2.0. ACG and National SMART Grant origination and disbursement records use the same school codes and Reporting and Attended Entity IDs as Pell. After you establish Pell School setup in EDEExpress, no additional setup is required to process ACG and National SMART Grant data. To set up EDEExpress for Pell, select the Pell School and System setup options (**Tools, Setup, COD**).

Origination and Disbursement Records

You can create ACG and National SMART Grant origination records in three ways:

- On the **Origination (Pell)** tab, select **Record, Add** (or click the + sign) on the menu bar and **ACG** or **National SMART** as the grant type. Complete the required fields. Select **File, Save** from the menu bar.
- Select **File, Import** from the menu bar. Then select **Pell, Origination Data–ISIRs** to import Pell-eligible Institutional Student Information Record (ISIR) transactions from the Application Processing module. Specify **ACG** or **National SMART** as the grant type.
- Import ACG and National SMART Grant origination data from an external system (**File, Import, Pell, Origination Data–External [PGEO]**). The external file (PGEO09OP) must have the required data as defined in the latest *2008-2009 Common Origination and Disbursement (COD) Technical Reference, Volume III*.

The new grants have several required elements in addition to **CPS Transaction #**, **Enrollment Date**, and **Award Amount for Entire School Year**:

- ACG origination records: **Academic Year Level** (0-2), **Eligibility/Payment Reason** (1-3), and **High School Program** (if the Eligibility/Payment Reason is 1)
- National SMART Grant origination records: **Academic Year Level** (3-4) and **CIP Code**

See ED's Information for Financial Aid Professionals (IFAP) Web site, located at ifap.ed.gov, for valid high school programs and their values (for ACG records) or for a list of eligible majors and their CIP codes (for National SMART Grant records).

You can create an ACG or National SMART Grant disbursement using the same process you use for Pell. A display-only field shows the grant type (ACG, National SMART, or Pell). The valid 2008-2009 date range for ACG and National SMART Grant disbursement records is 07/01/2008 to 09/30/2013.

Select **Process**, **Multiple Entry**, and choose **ACG** or **National SMART** to update multiple origination and disbursement records. View ACG or National SMART Grant data by selecting **Tools**, **Browse**, **Pell**, and clicking the **Origination** or **Disburse** tab. ACG and National SMART Grant records can be distinguished from Pell records by the award ID.

Export

EDEExpress 2008-2009, Release 2.0, enables you to export ACG and National SMART Grant origination and disbursement records, which are exported in the COD Common Record format (CRAA09IN) using Pell Export. Select **File**, **Export** from the menu bar, then select the **Pell** tab. You can combine Direct Loan, Pell, ACG, and National SMART Grant exports by selecting the **Combine DL and Pell?** checkbox.

Release 2.0 also enables you to export ACG and National SMART Grant data requests. Select **File**, **Export** from the menu bar, select the **Pell** tab, choose **ACG Data Request** or **National SMART Data Request** as the Export Type, and select the checkboxes for the type of data request(s) you want to make.

Import

EDEExpress 2008-2009, Release 2.0, enables you to import ACG and National SMART Grant origination and disbursement records in the COD Common Record (CRAA09OP) and COD Web-Generated Response (CRWB09OP) formats using Pell Import. Select **File**, **Import** from the menu bar, click the **Pell** tab, and select **COD Common Record Receipt/Response** as the import type. You can also import ACG- and National SMART Grant-specific reports and files sent by the COD System.

Reports

Release 2.0 enables you to print the following ACG- and National SMART Grant-specific reports:

- Origination Record
- Edits by Student–Origination
- Edits by Student–Disbursement

- Origination List
- Disbursement List
- List–Processed Disbursements Year-to-Date
- List–Disbursement Activity Summary
- Electronic Statement of Account (ESOA)
- SSN/Name Differences
- Record Layout–External User-Defined Format
- Student Summary

The Student Summary report includes ACG and National SMART Grant data in the Pell Grants (which have disbursements) section and in the Funds Awarded section if the student has an ACG or National SMART Grant award in the Packaging module.

The Student Summary report can be printed from the Global, App Express, Packaging, Direct Loan, Pell, and COD tabs and from within a student’s record.

Select **File, Print** from the menu bar, click the **Pell** tab, choose a report, and select **ACG** or **National SMART** in the Grant Type field. To print ESOA reports, you must select **Multiple** before you can select **ACG** or **National SMART** in the Grant Type field. Select the batch ID of the ESOA report that you want to print.

ACG and National SMART Grant data can also be found in the following COD reports (**File, Print, COD**):

- List–Student Records in Document provides ACG and National SMART Grant record counts.
- List–Document Activity has a column that indicates which documents contain ACG and National SMART Grant records.

Important Notes

- **New for 2008-2009!** The origination label “College Year” has been changed to “Academic Year Level.”
- **New for 2008-2009!** The following warning message appears if you try to save an origination with an Award Amount for Entire School Year of \$0: The Award Amount for Entire School Year is zero. If this is an initial award, this record will reject at COD, since zero is not an acceptable award amount on an initial submission. If this is a correction and you are zeroing out a previous award amount, COD will accept this.

- **New for 2008-2009!** The student's first and last names appear on the ACG and National SMART Multiple Entry Select Records grid.
- **New for 2008-2009!** The student's first or last name is required in Grant External Origination Add records for both ACG and National SMART.
- **New For 2008-2009!** A Grant Type field has been added to the Browse Pell dialog box to help distinguish Pell, ACG, and National SMART records. The grant type for ACG is **A**, the grant type for National SMART is **T**, and the grant type for Pell is blank.
- **New for 2008-2009!** The new Grant Type field (ACG, National SMART, or Pell) can be used in queries (Pell Query dialog box), exported in file formats (Pell File Format dialog box), and appears on both the Origination and Disbursements tabs of the Browse Pell dialog box.
- **New for 2008-2009!** You cannot save an ACG or National SMART Grant origination record unless Citizenship Status (located on the Demo tab) is 1 or blank.
- **New for 2008-2009!** To prevent records from rejecting at COD, EDEExpress checks to make sure disbursement data is valid and prevents actual disbursements (Disbursement Release Indicator [DRI] checkbox selected [set to True]) from being saved under the following circumstances:
 - Funding Method from Pell School setup is Just-In-Time, Pushed Cash, or Cash Monitoring 1 and the current system date is more than seven days prior to the disbursement date;
 - Funding Method from Pell School setup is Advance Pay, the disbursement release indicator (DRI) is true, and the current system date is more than seven days prior to the disbursement date for ACG and National SMART Grant or more than thirty days prior to the disbursement date for Pell; or
 - Funding Method from Pell School setup is Cash Monitoring 2 or Reimbursement and the current system date is more than zero days prior to the disbursement date.
- **New for 2008-2009!** EDEExpress prints the new data element Total Percent Eligibility Used by Academic Year Level on the Import Edit Records Report for Common Record Response files with Document Type Codes of RS or ND, but does not store the data.
- **New for 2008-2009!** In the print layout of the Electronic Statement of Account (ESOA), "Pell School Number" has been changed to "Pell Reporting School Identifier" and "Common School Identifier" has been changed to "Entity Identifier."

- **New for 2008-2009!** The new data elements Percent Eligibility Used by Scheduled Award and Total Percent Eligibility Used by Academic Year Level are included in the ACG and National SMART Grant YTD Data files. We also added the Scheduled Award field to ACG and National SMART Grant YTD Data files. However, EDEExpress does not store or print these data elements or use them when generating the Compare and Print Exceptions? report.
- **New for 2008-2009!** The new data elements Percent Eligibility Used by Scheduled Award, Total Percent Eligibility Used by Academic Year Level, and Scheduled Award are included in ACG and National SMART Grant Multiple Reporting Record (MRR) files, but only Percent Eligibility Used by Scheduled Award prints on the Import Edit Report. EDEExpress does not store or print the data elements.
- **New for 2008-2009!** EDEExpress limits your choice of Academic Year Level to 0, 1, or 2 on ACG origination records.
- **New for 2008-2009!** EDEExpress checks to make sure ACG origination data is valid and prevents originations (which would be rejected by COD) from being saved under the following circumstances:
 - Award Amount for Entire School Year exceeds \$750 for Academic Year Level 0 or 1 or \$1300 for Academic Year Level 2
 - Eligibility/Payment Reason is 01 and High School Program Code is blank
- **New for 2008-2009!** High School Graduation Year has been added to the information collected during the ACG pre-certification process on FAFSA on the Web and will be included in the ACG Data File.
- **New for 2008-2009!** EDEExpress limits your choice of Academic Year Level to 3 or 4 on National SMART Grant origination records.
- **New for 2008-2009!** Four new NSLDS data elements for the ACG and National SMART Grant are included on the ISIR:
 - Percent Eligibility Used by Scheduled Award
 - Total Percent Eligibility Used by Academic Year Level
 - Award Year
 - Scheduled Award Amount

Also, Academic Year Level replaces Year in College as an NSLDS data element on the ISIR.

Direct PLUS Loan for Graduate and Professional Students (Grad PLUS)

EDEExpress 2008-2009 enables you to create origination and disbursement records for Grad PLUS loans, export Grad PLUS data to the COD System, and import COD responses with processed results for Grad PLUS records. You can also print the MPN, List–Grad PLUS MPN, MPN Manifest, and Disclosure Statement for Grad PLUS loans.

Software Setup

If you have already set up EDEExpress to process loan records, no additional setup is necessary. If you have not previously set up and used EDEExpress for processing loans, you must establish Direct Loan School and COD System setup options (**Tools, Setup, COD**) before processing Grad PLUS loan records.

Origination and Disbursement Records

EDEExpress processes four types of Direct Loan origination records: Direct Subsidized loans, Direct Unsubsidized loans, Direct PLUS, and Direct Grad PLUS.

Note: The Grad PLUS loan ID is identical in format to the PLUS loan ID.

As with other loan types, Grad PLUS origination records can be created by using manual entry, ISIR import, or import from an external source. Refer to the latest version of the *2008-2009 COD Technical Reference, Volume III* for the Direct Loan External Add record layout you must follow to add Grad PLUS origination records from an external source.

The fields required to originate a Grad PLUS loan are the same as for a PLUS loan with the following exceptions:

- College Grade Level must be 6 or higher
- Only the Borrower's Loan Default/Grant Overpayment field is required. The value must be **N** to originate.
- Student's Citizenship Status (Demo tab) is required to originate a Grad PLUS loan.

Note: While an entry in the CPS Transaction # field is optional to originate a Grad PLUS loan in EDEExpress, a Grad PLUS borrower must have a valid ISIR on file at the CPS. Entering the CPS Transaction # enables you to document internally that a valid ISIR exists. You can also use the CPS Transaction # to distinguish between Grad PLUS and PLUS loan data on certain EDEExpress reports.

Note: Because the student is the borrower on a Grad PLUS loan, the PLUS Info tab that appears on the Origination tab is disabled for this loan type. The borrower information exported to the COD System is pulled from the Demo tab.

The process of recording actual disbursement data for a Grad PLUS loan mirrors the process for a PLUS loan. Grad PLUS loans can have a maximum of four disbursements. You can enter actual disbursement data into EDEExpress using manual entry, Multiple Entry, or by importing an external change file (DIEC09OP). The external change file, which can also be used to modify Grad PLUS origination data, must have the required data as defined in the latest *2008-2009 Common Origination and Disbursement (COD) Technical Reference, Volume III*.

A Grad PLUS tab in the Browse function (**Tools, Browse, Direct Loan**) enables you to easily view existing Grad PLUS origination and disbursement data for your students.

MPN, MPN Manifest, and Disclosure Statement

A Grad PLUS MPN print option is available in EDEExpress. The rules for multi-year use and expiration of the PLUS MPN are the same for both PLUS and Grad PLUS borrowers.

Note: As with PLUS loan records, the Grad PLUS MPN ID uses N as the MPN indicator.

A revised Direct PLUS Loan MPN was made available as of October 2007. You should discontinue using the PLUS MPN addendum and all paper PLUS MPN forms printed prior to October 2007 and begin using the revised form immediately.

The same Direct PLUS MPN is used for both Grad PLUS and PLUS loans. When you select **MPN–Grad PLUS** as the report type to print, the following statement prints in Section A: I am a Graduate or Professional Student.

The paper (shipping) MPN manifest notifies COD which MPNs are included in the shipping document. To generate a paper Grad PLUS MPN manifest, select **File, Print** from the menu bar. Then select **Direct Loan, Manifest–Grad PLUS**. Grad PLUS MPN manifests can be regenerated by selecting **File, Print** from the menu bar, then selecting **Direct Loan, Manifest Document Regeneration**.

To print a Grad PLUS Disclosure Statement, select **File, Print** from the menu bar, then select **Direct Loan**. Select **Disclosure Statement–Grad PLUS** as the report type.

Export and Import

Grad PLUS origination and disbursement records are exported in the COD Common Record format (CRAA09IN) by selecting **File, Export** from the menu bar, then selecting **Direct Loan**. You can combine your Direct Loan, Pell, ACG, and National SMART exports by selecting the **Combine DL and Pell?** checkbox.

The COD System sends Grad PLUS origination and disbursement Response files in the Common Record format (CRAA09OP). You can also import MPN Responses (CRPN09OP), Credit Override Responses (CRCO09OP), Booking Notification Responses (CRBN09OP), Web Responses (CRWB09OP), and Payment to Servicing Responses (CRPS09OP) for Grad PLUS data.

Grad PLUS records are also included in Direct Loan External Export files and identified as Loan Type **G** (Grad PLUS), provided you select the Loan Type field as part of the Direct Loan File Format (**Tools, File Formats, Direct Loan**) you select for the export.

Reports and Queries

The List–Grad PLUS MPN report allows you to print a list of students with Grad PLUS loans and the status of their MPNs. The following Direct Loan and EDEExpress COD reports include data for Grad PLUS records: List–Anticipated Disbursements, List–Actual Disbursements, List–Loans, List–Status, Origination Record, List–Student Records in Document, and Student Summary. The List–Actual Disbursements report includes separate Summary Totals for PLUS loans and Grad PLUS loans, as well as combined PLUS/Grad PLUS totals.

The criteria for two predefined queries (“Loan Type” and “LAA Not Equal Endorser Amount”) have been modified to add Grad PLUS as a filter, and a predefined query, “Grad PLUS Loans,” is also available.

Other HERA Changes

The HERA changed the definition of an academic year for certain Pell award calculations, increased some Direct Stafford Loan limits, changed the Direct Stafford Loan origination fee, and reinstated the provisions for schools with low cohort default rates to disburse loans in a single disbursement.

Expanded Value Range for Pell Setup and Entry “Weeks” Field

The HERA changed the definition of an academic year to allow at least 26 weeks of instruction for a program that measures progress in clock hours for Federal Pell Grant award calculations. Schools calculating Pell awards using Payment Methodology 4 for clock-hour programs can enter a minimum value of 26 for the Pell School setup field Weeks of Instructional Time in a Program’s Definition of Academic Year.

This change was implemented in Pell School setup, Pell Origination tab entry, Pell Multiple Entry, Pell Query, and Pell External Origination Add/Change import. The updated minimum value will also be included in Pell External Export files if you select the Weeks of Instructional Time in Program’s Definition of Academic Year field as part of the Pell File Format you choose for the export.

Direct Loan Limits

As a result of the HERA, some of the annual loan limits in the Direct Stafford Loan Program are increased. The increased loan limits resulting from the HERA are shown in bold below:

- **\$3,500** for 1st year undergraduate base subsidized/unsubsidized loans; \$4,000 for additional unsubsidized loans
- **\$4,500** for 2nd year undergraduate base subsidized/unsubsidized loans; \$4,000 for additional unsubsidized loans
- \$5,500 for 3rd year and beyond undergraduate base subsidized/unsubsidized loans; \$5,000 for additional unsubsidized loans
- \$8,500 for graduate/professional base subsidized/unsubsidized loans; **\$12,000** for additional unsubsidized loans
- \$2,625 for preparatory coursework base subsidized/unsubsidized loans (for enrollment in an undergraduate program); \$4,000 for additional unsubsidized loans

- \$5,500 for preparatory coursework base subsidized/unsubsidized loans (for enrollment in a graduate or professional program); **\$7,000** for additional unsubsidized loans
- \$5,500 for teacher certification base subsidized/unsubsidized loans; **\$7,000** additional unsubsidized loans
- \$27,167 for undergraduate health profession additional unsubsidized loans; **\$47,167** for graduate health profession additional unsubsidized loans

Note: Teaching Certification Loan—A checkbox labeled “Additional Unsub Preprofessional or Teacher Certification?” has been added to the Borrower Information on the Origination tab (Direct Loan) to help track students who are eligible for additional unsubsidized loans for enrollment in teaching certification programs. Selecting this checkbox allows you to award additional unsubsidized loans of up to \$7,000 for eligible students (i.e., Dependent students with PLUS loans denied). You can select this checkbox only if the College Grade Level is 5. If you change the College Grade Level to a value other than 5, the checkbox is automatically cleared and disabled. This checkbox is also disabled and cannot be selected if the Additional Unsub Eligibility for Health Profession Programs checkbox is selected, as a student cannot be eligible to receive both loans.

Note: The aggregate loan limits for subsidized and unsubsidized loans have not been increased. Also, the preparatory undergraduate coursework loan limits remain at \$2,625 for base subsidized/unsubsidized loans and \$4,000 in additional unsubsidized loans.

Origination and Disbursement Records: The higher loan limits apply to loans first disbursed on or after July 1, 2007. The COD System will use the date of the earliest anticipated disbursement (DRI = False) if there are no actual disbursements (DRI = True) when determining the appropriate loan limits to apply. The COD System will use the earliest actual disbursement, if both actual and anticipated disbursements exist for a loan, when determining the appropriate loan limits to apply.

Import from an External Source: Loan data imported from an external system in an External Add (DIEA09OP) or External Change (DIEC09OP) file can include Loan Amount Approved amounts based on the higher loan limits.

Direct Loan Origination Fee Change

The HERA made changes to the Higher Education Act of 1965 to reduce the loan fee charged to Stafford borrowers in the Direct Loan Program. This fee dropped, or will drop, to 2.5 percent on July 1, 2007; 2.0 percent on July 1, 2008; 1.5 percent on July 1, 2009; and 1.0 percent on July 1, 2010.

In EDEExpress for Windows 2008-2009 Release 2.0, the Sub/Unsub Loan Fee Percentage in COD School setup (Direct Loan) defaults to the reduced origination fee percentage (2.0 percent) for 2008-2009 Stafford Subsidized and Unsubsidized loans.

If you are originating loans for 2008-2009 with the earliest disbursement date prior to July 1, 2008, you must be sure to change the Sub/Unsub Loan Fee Percentage field to a value of 2.500 in COD School setup prior to originating those loans. However, if you subsequently need to originate 2008-2009 loans with the earliest disbursement date on or after July 1, 2008 and prior to July 1, 2009, you must change the Sub/Unsub Loan Fee Percentage field back to a value of 2.000 in COD School setup prior to originating those loans.

If you are originating loans for 2008-2009 with the earliest disbursement date on or after July 1, 2008 and prior to July 1, 2009, you do not need to make any change to the Sub/Unsub Fee Percentage field in COD School setup. However, if you import Prior Year User-Defined Queries, Setup and File Formats from EDEExpress for 2007-2008 into EDEExpress for 2008-2009 with the COD School (Direct Loan School) checkbox selected, be aware that the default value for the Sub/Unsub Loan Fee Percentage will be set to 2.500. Make sure that you return the Sub/Unsub Loan Fee Percentage value in COD School setup (Direct Loan) to the 2008-2009 default of 2.000 before you originate any subsidized or unsubsidized loans with the earliest disbursement date on or after July 1, 2008.

If you are originating loans for 2008-2009 with the earliest disbursement date on or after July 1, 2009, you must be sure to change the Sub/Unsub Loan Fee Percentage field to a value of 1.500 in COD School setup prior to originating those loans.

Refer to the Direct Loan Origination Fee section of the "Other HERA Changes Overview" topic in EDEExpress online Help for details about how to correct loan records with an incorrect loan origination fee.

Single Disbursement of Loans

The exemption of institutions with low cohort default rates from certain multiple disbursement requirements has been reinstated in the law. An institution with a cohort default rate of less than 10 percent for each of the three most recent fiscal years for which data are available, including an eligible foreign institution, may once again disburse, in a single installment, loans that are made for one semester, one trimester, one quarter, or a four-month period.

If your school meets these cohort default rate requirements, you can designate in the COD School setup (Direct Loan) that you are a “Special School” and can therefore disburse loans in a single disbursement. Select **Tools, Setup** from the menu bar, click the **COD** tab, and select the **School** button. If the Direct Loan tab is not selected, click the **Direct Loan** tab at the top of the screen. Select the **Are You a Special School?** checkbox and click **OK**.

Where to Get More Information

- EDEExpress for Windows 2008-2009 Online Help. For basic guidance and information on using the EDEExpress software, select **Help, Help Topics** from the EDEExpress menu bar. You can view the main list of EDEExpress help topics by module on the Contents tab or scroll through available help topics on the Index tab.
- Dear Partner/Colleague Letters related to the HERA on the Department of Education's (ED's) IFAP Web site, located at ifap.ed.gov. Look for the link to HERA-related documents.
- The *2008-2009 Electronic Data Exchange (EDE) Technical Reference* and the *2008-2009 Common Origination and Disbursement (COD) Technical Reference*, available on ED's fsadownload.ed.gov Web site.
- For technical support for EDEExpress, call CPS/SAIG Technical Support at **800/330-5947 (TDD/TTY 800/511-5806)**, 7 a.m. to 7 p.m. CT, Monday through Friday, excluding federal holidays. Or e-mail inquiries to CPSSAIG@ed.gov. You will receive a response to your e-mail within one business day.
- For COD assistance, contact the COD School Relations Center at **800/4PGRANT** (800/474-7268) for Grants (Pell, ACG and SMART) or **800/848-0978** for Direct Loan. You can also e-mail CODSupport@acs-inc.com or visit the COD Web site located at cod.ed.gov.
- For other questions about the HERA, contact the Federal Research and Customer Care Center (RCCC) at **800/433-7327** or **202/275-5532** (fax). Or e-mail the RCCC at fsa.customer.support@ed.gov. Hours are 9 a.m. to 5 p.m. ET, Monday through Friday, excluding federal holidays.